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General Assembly Budget Ticker

The Governor recently released his version of the state budget that is now being revised in the House. Here is a quick look at the positive points of the governor's budget:

- The proposal keeps in place the tax restructuring and property tax reductions enacted during last summer's special session.
- Makes additional reductions in the Family and Social Services Agency budget.
- Leaves a positive combined balance of \$319 million at the end of the biennium.

The largest drawback surrounding the governor's budget is the fact that it does not address the \$800 million dollar deficit the state is facing now and is overly dependent on transfers of funds that are already dedicated for other purposes.

Look here weekly for future updates as the budget debate wages on in the General Assembly.

ROBERT GARTON

THIS WEEK IN THE LEGISLATURE

Week 3

January 23, 2003

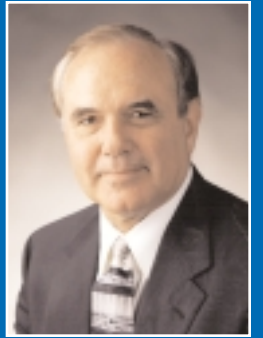
Dear Friends,

This week began with a celebration of the life of Dr. Martin Luther King, Jr. His accomplishments shaped the future of not only African-Americans, but all Americans. His great vision taught each of us the importance of compassion and unity.

In this spirit of unity, I joined with my Senate colleagues this week to consider several pieces of legislation that eventually may have a significant impact on Hoosiers. Senate committees have been meeting for the last few weeks to hear testimony from the public on proposed legislation. These committee members have a duty to help decide what kind of effect a bill would have on our state, so these meetings are prime opportunities for hearing public opinion on a variety of bills. If a committee votes to pass a bill, it will then be eligible for consideration by the full Senate.

Throughout the 2003 session, please feel free to contact me with any concerns, questions or comments you may have.

Robert Garton
State Senator



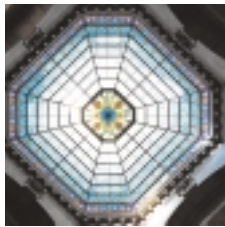
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THIS WEEK IN THE INDIANA LEGISLATURE

SOME NON-PROFITS EXPRESS WORRY ABOUT STATUS

I would like to take a moment to reassure our local not-for-profit organizations and the citizens of our community that there have been no changes made to the state sales tax exemption statute.

Recently, several organizations have become concerned and upset by a rumor that during the special session last summer, the

General Assembly revoked the sales-tax exemption for not-for-profit organizations. This is simply not true.

During the special session, we moved the language with the state sales tax exemption to a different section of the Indiana Code, but no changes were made to the law. The section had to be moved because as it was previously written, it included the

gross income tax, which was repealed during the special session.

Much of the confusion stems from a letter sent out by the Department of Revenue informing organizations that

the gross income tax had been repealed. The department also sent an additional letter that may have been confusing; however, its purpose was to update information on certain organizations

that had not been filing on a timely basis.

I hope this clears up most of the confusion surrounding this issue. Again, the state has not made any changes for not-for-profits concerning the sales-tax exemption. If you still have questions or concerns on this matter, please feel free to contact my office or the Department of Revenue.



BILL HIGHLIGHTS FOR WEEK 3

SB 28 - Genetic Testing (Bray): This bill allows the state or political subdivision to recover costs of genetic testing from a person found to be the biological parent of a child in a paternity action. Currently, the law allows the state or political subdivision to recover the cost of blood testing performed to determine paternity from a person found to be the biological father of a child in a paternity action, but this new language would update statute to also include the costs of the genetic test. The language for this bill was approved by the Commission on Courts.

SB 57 - Performance Audit of FSSA (Server): This bill requires the Legislative Evaluation and Oversight Policy Subcommittee to perform an audit of the organizational structure of the Office of the Secretary of Family and Social Services in 2003. It also requires the office to cooperate with the subcommittee by providing information necessary to the study. This legislation would help make this super-agency more streamlined, efficient and cost-effective.

SB 62 - Commission on Abused and Neglected Children (Lawson): This bill establishes a Commission on Abused and Neglected Children and Their Families to develop a plan of services for children at risk of abuse or neglect and for abused or neglected children and their families. This legislation requires a report from the Commission no later than August 15, 2004.

Quick Facts about this Legislative Session

The Senate filed 557 bills that will be considered this session.

The House of Representatives filed 1,032 bills.

Important Dates in the General Assembly

February 27: The last day for committee reports to be filed on Senate Bills

March 3: Second reading deadline for all Senate Bills

March 4: Third reading deadline for all Senate Bills